

**Our exposure of the anti-consumer bias of mandatory arbitration resulted in seven large banks' abandoning the practice in new credit card agreements.**

After our investigative report, hearing and subsequent correspondence, seven of the nation's largest credit-card issuing banks voluntarily abandoned their requirement that consumers waive their legal rights and consent to mandatory arbitration of claims, including debt collection. The [Subcommittee's report found](#) that mandatory arbitration in debt collection cases was conducted in an arbitrary way, reflecting the choice of arbitrator rather than adherence to the law. Days before the Subcommittee's hearing, the State of Minnesota announced settlement of its fraud charges against the National Arbitration Forum, which agreed to close its doors. The largest provider of arbitration services, the American Arbitration Association, agreed with the Subcommittee's request to discontinue debt collection arbitrations in NAF's absence, after we exposed to them the way in which their method of conducting arbitrations was lacking critical elements of fundamental fairness and due process.